

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
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CHAPTER 343

HOUSE BILL 2817

AN ACT

AMENDING SECTION 15-996, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION;
RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-996, Arizona Revised Statutes, is amended to
3 read:

4 15-996. Duties of county treasurer relating to school
5 district's monies

6 The county treasurer shall:

7 1. Receive and hold all school district monies and keep a separate
8 account for each school district and for the special county school reserve
9 fund. The county treasurer may maintain separate accounts for each fund of a
10 school district or the county treasurer may maintain only two accounts for
11 each school district's monies in addition to the funds provided for in
12 sections 15-1024, 15-1025, 15-2021, 15-2031 and 15-2041. If only two
13 accounts are maintained, the first account shall consist of maintenance and
14 operation, unrestricted capital outlay, soft capital allocation and adjacent
15 ways monies and the classroom site fund prescribed in section 15-977 and the
16 second account shall consist of federal and state grant monies and all other
17 monies.

18 2. Pool school district monies for investment except as provided in
19 sections 15-1024 and 15-1025. Interest earned on the monies pooled for
20 investment shall be apportioned at least quarterly to the appropriate school
21 district based on an average monthly balance as prescribed in the uniform
22 system of accounting for county treasurers as provided in section 41-1279.21.

23 3. Notwithstanding section 11-605, register warrants only as follows:

24 (a) If separate accounts are maintained for each fund, warrants may
25 only be registered on the maintenance and operation, unrestricted capital
26 outlay, soft capital allocation and adjacent ways accounts and the classroom
27 site fund prescribed in section 15-977 and only if the total cash balance of
28 all three accounts is insufficient to pay the warrants, EXCEPT THAT, DURING
29 THE PERIOD OF TIME WHEN A SCHOOL DISTRICT IS UNDER RECEIVERSHIP PURSUANT TO
30 SECTION 15-103, A WARRANT MAY BE REGISTERED ON THE DEBT SERVICE ACCOUNT FOR
31 WHICH THE CASH BALANCE IN THE DEBT SERVICE ACCOUNT IS INSUFFICIENT TO COVER
32 THE DEBT SERVICE PAYMENT IF THERE ARE NOT SUFFICIENT MONIES IN THE DEBT
33 SERVICE ACCOUNT TO COVER THE DEBT.

34 (b) If the county treasurer maintains only two accounts as provided in
35 paragraph 1 of this section:

36 (i) The county treasurer may register warrants only on the first
37 account and only if the balance of that account is insufficient to pay the
38 warrants.

39 (ii) The county treasurer may honor warrants for any federal or state
40 grant fund with a negative balance as long as the total balance in the second
41 account is positive. If the second account total balance is negative, the
42 warrant for a federal or state grant fund shall be charged to the maintenance
43 and operation fund. Any interest charged to the federal or state grant fund
44 as a result of a negative balance that is in excess of interest earned on the
45 fund shall be transferred to the maintenance and operation fund at the end of

1 the fiscal year or the end of the grant year. If a federal or state grant
2 fund has a negative balance at the end of the fiscal year or grant year,
3 sufficient expenditures shall be transferred to the maintenance and operation
4 fund to eliminate the negative balance.

5 4. Notify the county school superintendent by the fifteenth day of
6 each calendar month of the month end balances of each school district
7 account.

8 5. Pay warrants issued by the county school superintendent and duly
9 endorsed by the person entitled to receive the monies.

10 6. On each property tax bill and each property tax statement prepared,
11 separately state and identify by name each school district's primary property
12 tax rate, the secondary property tax rate that is associated with overrides,
13 the secondary property tax rate that is associated with class A bonds and the
14 secondary property tax rate that is associated with class B bonds. For THE
15 purposes of this paragraph, "class A bonds" and "class B bonds" have the same
16 meanings prescribed in section 15-101.

17 Sec. 2. Errors in school district budget calculation;
18 correction

19 A. Notwithstanding sections 15-905 and 15-915, Arizona Revised
20 Statutes, school districts that miscalculated their budgets during fiscal
21 year 2004-2005 shall be required to correct these errors over a five year
22 period beginning in fiscal year 2006-2007 and ending in fiscal year 2010-2011
23 if each of the following conditions exists:

24 1. The school district was placed under receivership pursuant to
25 section 15-103, Arizona Revised Statutes, on or before December 31, 2005.

26 2. The total amount of the correction that would otherwise be required
27 under section 15-915, Arizona Revised Statutes, is more than three hundred
28 thousand dollars but less than seven hundred thousand dollars.

29 B. In addition to the monies required to be repaid pursuant to
30 subsection A of this section, accrued interest is required to be paid at a
31 rate determined by the superintendent of public instruction.

32 Sec. 3. Appropriation; purpose

33 The sum of \$318,100 is appropriated from the school improvement revenue
34 bond debt service fund in fiscal year 2005-2006 to the department of
35 education for distribution to the Colorado City unified school district to
36 pay for debt service payments due in June 2006, January 2007 and July 2007
37 and that are owed for outstanding bonds issued in 1995 and 2000.

38 Sec. 4. Colorado City unified school district; partial
39 withholding of state aid; capital monies

40 A. The superintendent of public instruction shall withhold a portion
41 of the Colorado City unified school district's apportionment of state aid in
42 fiscal years 2006-2007 through 2010-2011 in amounts sufficient to equal the
43 total amount of monies appropriated pursuant to section 3 of this act.

1 B. Notwithstanding any other law, if the Colorado City unified school
2 district sells capital facilities belonging to the school district at any
3 time between the effective date of this act and the end of fiscal year
4 2010-2011, the school district may remit any portion of the proceeds of these
5 sales to the department of education, which shall transmit these monies to
6 the state treasurer for deposit in the state general fund. The Colorado City
7 unified school district is exempt from the provisions of section 15-342,
8 paragraph 10 and section 15-491, subsection A, paragraph 2, Arizona Revised
9 Statutes, relating to the sale of capital facilities from the effective date
10 of this act until July 1, 2009. The superintendent of public instruction
11 shall reduce the amount of state aid withheld pursuant to subsection A of
12 this section by the amount of the capital proceeds transmitted by the school
13 district pursuant to this subsection. The school district shall not be
14 required to remit proceeds from the sale of capital facilities in excess of
15 the amount owed pursuant to subsection A of this section.

16 Sec. 5. Emergency

17 This act is an emergency measure that is necessary to preserve the
18 public peace, health or safety and is operative immediately as provided by
19 law.

APPROVED BY THE GOVERNOR JUNE 21, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 21, 2006.